

Final Rule

LSA Document #08-327(F)

DIGEST

Amends [68 IAC 2-2-1](#) to strike the reference to junketeer. Adds [68 IAC 2-3.5](#) concerning junket operator registration and determination of suitability of junket operators. Effective 30 days after filing with the Publisher.

[68 IAC 2-2-1](#); [68 IAC 2-3.5](#)

SECTION 1. [68 IAC 2-2-1](#) IS AMENDED TO READ AS FOLLOWS:

[68 IAC 2-2-1](#) Supplier's license required

Authority: [IC 4-33-4-1](#); [IC 4-33-4-2](#)

Affected: [IC 4-33-7](#)

Sec. 1. (a) The following definitions apply throughout this rule:

- (1) "Applicant" means an applicant for a supplier's license.
- (2) "Riverboat license applicant" means an applicant for a riverboat owner's license that has been issued a certificate of suitability under [68 IAC 2-1-5](#).

(b) An application for a supplier's license shall not be processed by the commission unless the applicant has an agreement or a statement of intent with a riverboat licensee or a riverboat license applicant that the applicant will be supplying the riverboat licensee upon receiving the supplier's license. Nothing in this rule prevents a potential applicant from negotiating, prior to application for licensure, with a riverboat licensee or a riverboat license applicant to supply goods and services to a riverboat licensee once a supplier's license has been obtained.

(c) The following persons or business entities are required to hold a supplier's license:

- (1) The gaming operations manager if the manager is a business entity. If the gaming operations manager is an individual, the applicant shall hold an occupational license, Level 1 under [68 IAC 2-3-1](#). All employees of a gaming operations manager who have any duty, authority, or function relating directly or indirectly to the gaming operation will be required to hold an occupational license in accordance with [68 IAC 2-3-1](#).
- (2) All manufacturers of:

- (A) electronic gaming devices;
- (B) chips;
- (C) tokens;
- (D) cards;
- (E) dice;
- (F) roulette wheels;
- (G) keno balls;
- (H) keno ball or number selection devices;
- (I) shuffling devices; and
- (J) any other equipment that the commission determines directly affects gaming;

shall be licensed as a supplier. All suppliers of electronic gaming devices, chips, tokens, cards, dice, roulette wheels, keno balls, keno ball or number selection devices, shuffling devices, and any other equipment that the commission determines directly affects gaming shall be manufacturers of said devices.

(3) A supplier of gaming equipment maintenance or repair.

(4) A supplier of security services, security systems, and surveillance systems.

(5) A lessor of a riverboat or dock facilities, or both, unless the lessor of the riverboat or dock facilities, or both, is a county, municipality, or political subdivision.

(6) A supplier of goods or services where payment is calculated on a percentage of a riverboat gambling operation's revenues.

~~(7) A junketeer.~~

~~(8)~~ (7) Any other purveyor of goods or services to a riverboat gambling operation the commission deems necessary to ensure compliance with the Act and this title.

(d) The applicant's key persons, substantial owners, and any other persons deemed necessary to allow the commission to ensure the applicant meets the statutory criteria for licensure set forth in the Act and this title must complete and submit a Personal Disclosure Form 1 under [68 IAC 2-3-1](#).

(e) A supplier licensee shall continue to maintain suitability for licensure. The supplier licensee is subject to action by the commission, including, but not limited to:

- (1) suspension;
- (2) revocation;
- (3) restriction; and
- (4) nonrenewal;

under the Act and this title.

(f) A supplier licensee shall not distribute gaming supplies and equipment that do not conform to the standards for gaming supplies and equipment set forth in the Act and this title.

(g) Riverboat licensees shall not purchase goods or services covered by this rule from a person who does not hold a supplier's license issued by the commission.

(h) A manufacturer of electronic gaming devices, chips, tokens, cards, dice, roulette wheels, keno balls, keno ball or number selection devices, shuffling devices, or any other equipment that the commission determines directly affects gaming shall not be paid by a riverboat licensee based:

- (1) on a percentage of the revenue received from the use of the gaming equipment; or based
- (2) upon the amount of play or use that the gaming equipment receives.

(Indiana Gaming Commission; [68 IAC 2-2-1](#); filed Nov 10, 1994, 11:00 a.m.: 18 IR 488; errata filed Nov 1, 1995, 8:30 a.m.: 19 IR 353; filed Oct 22, 1997, 8:45 a.m.: 21 IR 922; errata filed Feb 6, 1998, 10:30 a.m.: 21 IR 2128; readopted filed Oct 15, 2001, 4:34 p.m.: 25 IR 898; filed Dec 2, 2001, 12:35 p.m.: 25 IR 1060; readopted filed Sep 14, 2007, 1:40 p.m.: [20071003-IR-068070354RFA](#); filed Dec 23, 2008, 1:32 p.m.: [20090121-IR-068080327FRA](#))

SECTION 2. [68 IAC 2-3.5](#) IS ADDED TO READ AS FOLLOWS:

Rule 3.5. Junket Operations

[68 IAC 2-3.5-1](#) Junket operator registration

Authority: [IC 4-33-4-3](#); [IC 4-35-4-2](#); [IC 4-35-4-3](#)

Affected: [IC 4-33](#); [IC 4-35](#)

Sec. 1. (a) "Junketeer" means an individual who:

- (1) is a substantial owner, key person, employee, or agent of a junket operator; and**
- (2) conducts business with at least one (1) Indiana casino on behalf of a junket operator.**

(b) "Junket operator" means a person whose compensation is determined by:

- (1) how much a person either wagers or loses; or**
- (2) an estimate by the casino licensee or gaming operations manager as to the potential amount a patron will wager or lose.**

(c) In order to conduct business with an Indiana casino, a junket operator and a junketeer must hold a certificate of registration issued by the commission.

(d) Applications for a junket operator certificate of registration shall not be considered by the commission unless a casino licensee:

- (1) submits a request to the commission for registration of the junket operator; and**
- (2) provides evidence of conducting due diligence regarding the:**

- (A) criminal history;
- (B) character; and
- (C) reputation;

of the junket operator and any related junketeer or junketeers.

(e) A casino licensee shall not enter into a business relationship with or compensate a junket operator until the commission notifies the casino licensee in writing that the junket operator has been granted a certificate of registration.

(f) An application for junket operator certificate of registration or junketeer certificate of registration must be on forms prescribed by the commission. An application for a junket operator registration must include the following:

- (1) A nonrefundable application fee of two hundred fifty dollars (\$250) to the commission.
- (2) A nonrefundable application fee of seventy-five dollars (\$75) for each junketeer who wishes to conduct business with Indiana casino licensees.
- (3) A nonrefundable application fee of seventy-five dollars (\$75) for each key person or substantial owner affiliated with the entity wishing to register as a junket operator.

(g) The junket operator shall pay an annual nonrefundable certificate of registration renewal fee of two hundred fifty dollars (\$250) and an annual nonrefundable certificate of registration renewal fee of seventy-five dollars (\$75) for each junketeer, key person, or substantial owner. Payment must be remitted to the commission no less than thirty (30) days prior to the expiration of the junket operator's certificate of registration. Failure to do so may result in denial of a request for certificate of registration renewal.

(Indiana Gaming Commission; [68 IAC 2-3.5-1](#); filed Dec 23, 2008, 1:32 p.m.: [20090121-IR-068080327FRA](#))

[68 IAC 2-3.5-2](#) Operational provisions

Authority: [IC 4-33-4-3](#); [IC 4-35-4-2](#); [IC 4-35-4-3](#)

Affected: [IC 4-33](#); [IC 4-35](#)

Sec. 2. (a) A junket operator or junketeer shall not grant the extension of credit on behalf of a casino licensee or collect or attempt to collect a debt owed to a casino licensee.

(b) A casino licensee or affiliate shall only remit payment directly to a registered junket operator.

(c) A junket operator shall submit any additional information requested by the commission. The commission may request the following:

- (1) Criminal history.
- (2) Criminal records.
- (3) Associations with businesses and individuals.
- (4) Business reputation.
- (5) Adverse actions in other jurisdictions.
- (6) Any other information requested by the commission that is necessary for authorizing junket operations and junketeer activities in a manner that complies with the standards set forth in this Act and this title.

(d) A casino licensee shall maintain a junket operator log consisting of the following:

- (1) The name and registration number of the junket operator.
- (2) The name and registration number of the junketeer.
- (3) The name of each patron, whose business is derived by the registered junket operator or junketeer, as well as the date(s) on which each patron is present on casino licensee property.

(Indiana Gaming Commission; [68 IAC 2-3.5-2](#); filed Dec 23, 2008, 1:32 p.m.: [20090121-IR-068080327FRA](#))

[68 IAC 2-3.5-3](#) Determination of suitability

Authority: [IC 4-33-4-3](#); [IC 4-35-4-2](#); [IC 4-35-4-3](#)

Affected: [IC 4-33](#); [IC 4-35](#)

Sec. 3. (a) Junket operators and junketeers shall at all times conduct themselves in a manner that does not compromise the integrity of gaming in Indiana, tarnish the image and reputation of the state of Indiana, or reflect poorly on an Indiana casino licensee or a registered junket operator. In making this determination, the commission may consider the following:

- (1) Criminal records.**
- (2) Suspension of licenses, registration certificates, or their equivalent, or any other adverse actions in other jurisdictions.**
- (3) Business reputation.**
- (4) Associations with businesses and individuals.**
- (5) Compliance with gaming laws and regulations in Indiana and other jurisdictions.**
- (6) Any other factors as the commission deems appropriate.**

(b) A certificate of registration does not create a property right, but is a revocable privilege granted by the state contingent upon continuing suitability for registration. If the commission determines that a registered junket operator or junketeer is no longer suitable, the commission may initiate a disciplinary action to revoke, restrict, suspend, or not renew the junket operator's or junketeer's certificate of registration or take such other action as the commission deems necessary.

(c) If the commission finds a registered junket operator or junketeer to be unsuitable, the registration of such registered junket operator or junketeer is thereupon canceled. A casino licensee shall, upon written notification of a finding of unsuitability, immediately terminate all relationships, direct or indirect, with such junket operator or junketeer. No determination of suitability of a junket operator or junketeer shall preclude a later determination by the commission of unsuitability.

(d) Junket operators and junketeers have a continuing duty to notify the commission of any change in information previously submitted to the commission. Written notification must be submitted within ten (10) calendar days of the change or the occurrence of the event.

(Indiana Gaming Commission; [68 IAC 2-3.5-3](#); filed Dec 23, 2008, 1:32 p.m.: [20090121-IR-068080327FRA](#))

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